

Message Text

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AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L LISBON 3809

E.O. 11652: GDS

TAGS: ELAB, PINT, PO

SUBJ: LABOR AGITATION REFLECTS POLITICAL INSTABILITY

REF: (A) LISBON 3738; (B) LISBON 3773

SUMMARY: SOCIALISTS MAKING SOME HEADWAY IN THEIR CHALLENGE TO
PCP DOMINATION OF MAJOR UNIONS. WORKERS DEMONSTRATION IN
LISBON OPPOSED BY INTERSINCICAL AND PCP. RAIL FARE INCREASES
PROVOKE PROTESTS. TELEPHONE STRIKE SETTLED WHILE TAP WORKERS
COMMENCE PARTIAL WORK STOPPAGE. END SUMMARY

1. TELEPHONE STRIKE ENDS: TELEPHONE SERVICE IN LISBON

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IS SLOWLY RETURNING TO NORMAL AS 4500 TELEPHONE MAINTENANCE

WORKERS ENDED ON JULY 4 THEIR 17-DAY STRIKE IN SUPPORT OF WAGE DEMANDS. THE TELEPHONE WORKERS YIELDED TO INCREASING PRESSURES FROM THE GOP, COPCON, AND PRO-INTERSINDICAL UNIONS, ALL OF WHICH TAGGED THE STRIKE AS COUNTERREVOLUTIONARY. OTHER TELEPHONE UNIONS THROUGHOUT PORTUGAL HAD EARLIER ACCEPTED THE GOP'S WAGE OFFER AND GAVE THE STRIKERS LITTLE SUPPORT. THE WORKERS AGREED TO A GOVERNMENTAL COUNTEROFFER PROVIDING FOR RETROACTIVE PAY INCREASES TO MAY 1, THE PROMISE OF A PAY INCREASE IN MAY, 1976, AND A PROFIT SHARING PLAN. WHILE THESE TERMS ARE SLIGHTLY MORE FAVORABLE THAN THOSE ACCEPTED BY THE OTHER TELEPHONE UNIONS, NEITHER SIDE TO THE DISPUTE CAN CLAIM A CLEAR-CUT-VICTORY.

2. TAP WORKERS STRIKE, OGMA WORKERS SETTLE: THE WORKERS OF THE NATIONALIZED PORTUGUESE AIRLINE, TAP, COMMENCED A PHASED WORK STOPPAGE JULY 7 IN SUPPORT OF WAGE DEMANDS. TAP CONTRACT NEGOTIATIONS ARE STILL UNRESOLVED AFTER 14 MONTHS OF NEGOTIATION. THE DAILY WORK STOPPAGE WILL BE PROGRESSIVELY LENGTHENED FROM ONE HOUR JULY 7 TO TOTAL SHUTDOWN ON JULY 14 IF AN AGREEMENT IS NOT REACHED. THE WORKERS STATE THEY WILL ADVISE FGGEIGN AIRLINES OF THE HOURS THE WORK STOPPAGES ARE SCHEDULED WITH 24 HOURS ANTICIPATION. MEANWHILE, THE CIVILIAN EMPLOYEES OF THE PORTUGUESE AIR FORCE SUPPLY AND REPAIR DEPOT (OGMA) RETURNED TO WORK JULY 4 AFTER A PROMISE THAT THEY WOULD RECEIVE A PAY INCREASE PROPORTIONAL TO THAT TO BE NEGOTIATED FOR OTHER CIVIL SERVICE WORKERS. THE OGMA SHUTDOWN ALSO AFFECTED AIRCRAFT REPAIR FACILITIES RUN UNDER CONTRACT FOR THE USG AND THE FEDERAL REPUBLIC OF GERMANY (REF A).

3. LABOR AGITATION: PUBLIC PROTESTS OVER FAIR INCREASES (17 TO 50 PERCENT) ON LISBON'S COMMUTER RAIL LINES ARE GRADUALLY DYING OUT. PASSENGERS RODE FREE FOR SEVERAL DAYS WHEN FAR LEFT GROUPS AND OTHERS OPPOSED TO THE INCREASES IMPEDED TICKET SALES AND THREATENED CONDUCTORS. MILITARY FORCES - IN THE ABSENCE OF EFFECTIVE POLICE UNITS - WERE REQUIRED ON SEVERAL OCCASIONS TO RESTORE ORDER. (COMMENT: UNIFORMED - BUT UNDISCIPLINED - SOLDIERS ARE AMONG THE MOST FLAGRANT OFFENDERS IN REFUSING TO PAY FARES, PARTICULARLY ON THE INTER-CITY PASSENGER TRAINS. A NUMBER OF TRAINS NOW CONFIDENTIAL

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CARRY SEVERAL HEFTY RAILROAD EMPLOYEES WEARING ARMBANDS TO "ASSIST" CONDUCTORS IN THEIR DUTIES. END COMMENT)

4. SEVERAL THOUSAND WORKERS DEMONSTRATED IN LISBON JULY 4 IN SUPPORT OF THE STRIKES OF THE TELEPHONE WORKERS, OGMA, TAP, AND THE WORKERS AT THE NEWSPAPER REPUBLICA AND RADIO RENASCENCA. FOMENTED PRIMARILY BY THE UDP, PRP-BR, AND OTHER FAR LEFT GROUPS, THE DEMONSTRATION WAS OPPOSED BY

INTERSINDICAL AND THE PCP WHICH CALLED UPON WORKERS TO REMAIN AT THEIR POSTS OR TO REPORT TO THEIR RESPECTIVE UNION HEADQUARTERS FOR "MOBILIZATION." THIS CLIMATE OF UNREST AND RUMORS CONTRIBUTED TO BACKGROUND TO PRESIDENT COSTA GOMES' SPEECH JULY 4 CALLING FOR MORE WORK AND LESS TALK (REF B).

5. UNIONS ALLOWED MORE TIME TO HOLD ELECTIONS: ON JULY 3 THE REVOLUTIONARY COUNCIL AMENDED THE LAW ON LABOR UNION ORGANIZATION TO ALLOW AN EXTRA 30 DAYS FOR THE HOLDING OF INTERNAL UNION ELECTIONS. ELECTIONS MUST NOW BE HELD BY SEPTEMBER 28. THE EXTENSION IS NECESSARY DUE TO THE DELAYS A NUMBER OF UNIONS ARE ENCOUNTERING IN OBTAINING AGREEMENT ON THEIR STATUTES, REQUIRED FOR LEGAL RECOGNITION. (COMMENT: THE EXTENSION IN ITSELF IS NOT SEEN AS HAVING POLITICAL SIGNIFICANCE. OF MARKED SIGNIFICANCE, HOWEVER, IS THE NUMBER OF REBUFFS PRO-INTERSINDICAL LEADERSHIP FACTIONS ARE RECEIVING AT THE HANDS OF SOCIALIST-LED UNION MEMBERS. REF A. END COMMENT)

6. SOCIALIST CHALLENGES TO PCP DOMINATION: THE NORTHERN OFFICE WORKERS UNION (OPORTO), UNTIL RECENTLY FIRMLY IN THE HANDS OF PRO-INTERSINDICAL ELEMENTS, IS CURRENTLY THE SCENE OF A STRONG CHALLENGE BY SOCIALISTS. THIRTEEN COMMUNISTS WERE REPORTEDLY THROWN OUT OF A LOCAL HOSPITAL WORKERS UNION IN OPORTO. THE PRO-INTERSINDICAL LEADERSHIP OF THE LISBON BANK WORKERS UNION IS STILL SMARTING FROM THE SET-BACK IT RECEIVED FROM A SOCIALIST MAJORITY BUT MACHINATIONS ARE AFOOT TO REVERSE THE DECISION FAVORING PROPORTIONAL REPRESENTATION IN THE UNION DIRECTORATE. PRO-INTERSINDICAL LEADERSY P HAS MANAGED TO PREVAIL IN THE METAL WORKERS UNION AND, THROUGH USE OF PROCEDURAL MANEUVERS, IN THE IMPORTANT CONFIDENTIAL

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TEXTILE WORKERS UNION AS WELL. (COMMENT: THE SOCIALISTS AND THEIR ALLIES ARE BECOMING INCREASINGLY ALERT TO PCP MANEUVERS AND ARE BECOMING MORE ADEPT AT COUNTERING THEM. IN SOME CASES HOWEVER, THEY ARE PLAYING AGAINST A STACKED DECK. END COMMENT)
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